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To: Cc:

Subject: RE: TEFRA

1 - 3. These look fine.

- 4. The trust has no power to extend the period for assessing any beneficiary. So if the trust is a grantor trust or is a complex trust that has distributable net income ("DNI") that will be taxable to the beneficiaries based on the partnership item adjustments, you will need to secure Forms 872-i from the beneficiaries. Alternatively, you can rely on the Form 872-P signed at the partnership level to assess the direct and indirect partners.
- 5. I think it is probably fine to simply list the parent "and subsidiaries" rather than naming each individual subsidiary. The signature line should reflect, however, that the officer is also signing as an officer of the partner-subsidiary as you indicate. This is call, so I will leave this issue to in
- 6. You don't need a Form 872 from the S corporation unless you intend to tax it for built in gain under section 1374 or otherwise tax it as a C corporation. The Supreme Court so held in <u>Bufferd v.</u> Commissioner.